

## **SWOT Analysis of GlaxoSmithKline Pakistan Limited**

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## **Introduction**

Pakistan has a very well-developed and ever-growing Pharmaceutical industry. In 1947, at the time of independence, there was hardly any pharmaceutical unit in Pakistan. Today, Pakistan has 400 pharmaceutical manufacturing units within the country, this also includes those which are run under multinationals companies present in Pakistan. The domestic demand of finished medicines is fulfilled by these pharmaceutical companies up to 70%. However, the stock market is evenly distributed between Nationals and Multinational companies running their businesses in the country (R R Ahmed, 2012).

Pakistan's pharmaceutical industry has grown tremendously over the past few decades. The industry has made wise investments to upgrade itself on the previous years and now mostly every unit in the industry is following the international and domestic guidelines of Good Manufacturing Practices (GMP). The industry has made itself highly developed and now every kind of product from simple pills to complex Oncological and Value Added Generic Compounds are being manufactured in the domestic pharmaceutical industry (M Aamir, 2011).

GlaxoSmithKline is one of world's most leading pharmaceutical company which is also working in the fields of research. It is a company that has powerful combination of internal and external resources and skills, and it provides a platform for its unstoppable growth with the rapidly changing market demands and health care environment. GSK stands strong today because it has been using highly advanced technologies and it is a result of mergers and collaborations with different pharmaceutical units. GSK is making different types of health care products. Stiefel, a unit that has been taken over by GSK,

deals in skin related products. It focuses on improving the skin conditions of people all around the world.

GSK is carrying out its business efficiently all over the world. Pakistan's pharmaceutical and healthcare sector shows tremendous growth and development over the past few years, but still a major portion of population does not have any access to modern medicines and healthcare accessories. The reports and surveys of 2007 showed an increase in sales of pharmaceutical products of up to US\$1.4 billion, which is equal to per capita consumption of less than US\$10 per year. According to this survey, an estimate was made that till year 2012, the value of medicines to be sold will show an increase of up to US\$2.3 billion (R R Ahmed, Ethical and non-ethical Pharmaceutical marketing practices: Case study of Karachi city, 2012)

### **SWOT Analysis of GlaxoSmithKline Pakistan**

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<p>It is very clear from all the facts and figures that GSK has made its name all around the world in the field of pharmaceutical and healthcare industry. This benefit gives this company an edge among its customers. People trust GSK for providing quality healthcare products. The name GSK is itself a strength that allows it to win</p>	<p>Because of less competency and ignorance among domestic people, the company sometimes lacks exposure and good production practices, even though it provides special trainings and workshops to its workers. Like all the other manufacturing units, GSK also faces production faults sometimes. These faults may include incomplete or</p>

<p>potential customers and bind existing customers with brand loyalty.</p> <p>GlaxoSmithKline also uses effective marketing tools to promote its products. Marketing is also an important reason for its popularity worldwide and is a source of strength for the company.</p>	<p>defected packaging or maybe defect in manufacturing of any of its products.</p> <p>The company also faces difficulties in buying raw material from local market because quality and rates in our country are extremely uncertain. As GSK is operating in the field of pharmaceutical and healthcare, its customers expects high quality products because it is directly linked to their well-beings.</p>
<p><b>OPPORTUNITIES</b></p>	<p><b>THREATS</b></p>
<p>GSK is widely known and trusted in the field of pharmaceutical all around the world, people are willing to invest in this company by purchasing its shares. Its popularity and goodwill makes it easy for the company to make contacts with other manufacturing units to expand its business. GSK also has the opportunity to make its products available to most of the people who are actually ignorant of healthcare related</p>	<p>The ever growing competition has always been a major threat to all the business entities all around the world.</p> <p>Moreover, the poor law and order situation in the country, unfavorable labor laws and business policy, lack of security for entrepreneurs, uncertain political and security conditions, ever growing rates of fuel and energy sources, shortfall of energy and strict</p>

<p>products, and it will be a great source of growth for the company. GSK has built up a goodwill and name in international market also which is also an opportunity for it to take its business to the peak.</p>	<p>custom policies also acts as a threat for the company.</p>
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### **Impact on GlaxoSmithKline and its competitive position in industry**

Pharmaceutical industry is now being exposed to more risks and challenges than ever before. Consumers demand for high quality healthcare products, better value and improved performances. Moreover, increasing pressure from healthcare sector authorities are also associated with higher risk and lower growth. The pharmaceutical sector has also been exposed to controversies regarding patients' life and safety issues and other ethical issues.

GlaxoSmithKline is a well-known and trusted name in pharmaceutical and healthcare sector all around the world. It faces many competitors, which are also striving hard to take over its market position and sales. Major competitors include: Pfizer, Johnson & Johnson, Bayer, Abbott, Novartis and many others. Introduction of any new product or production processes from any of the major competitors can directly affect the sale and market position of the company. The ever-growing technological sector also plays a major role in the growth and development of GlaxoSmithKline. In accordance with the

changes in general and technological environment, it has become mandatory for GSK to search for new hi-tech processes for the manufacturing of its products. GSK, with its large business and better market value, can easily replace older techniques and innovate new methods for its growth and manufacturing. GSK operates its business mainly in healthcare sector, it has a reputation and goodwill all around the world. Its goal is to explore new markets and business horizons but it also focuses on keeping better relations with existing customers. It cannot take any risks that loses its grip on existing markets and customers. GSK Pakistan is striving really hard to deal with all the risks and competition and making its position better with each passing day.

## **Conclusion**

GlaxoSmithKline carries good reputation in the field of pharmaceutical and healthcare all around the world. It has manufacturing and promotional strategies that are different from other pharmaceutical units. To increase its business and enhance its market share, the company has to overcome its weaknesses. GSK has to make it certain that it meets its customer's demands in terms of quality. Being a pharmaceutical manufacturing unit, the company has to keep a strict check and balance on the quality and standard of the products. If the company on its customer relation management, it can easily expand its business and meet its targets.

## References

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